

DEFERRED COMPENSATION ADVISORY COMMITTEE
REGULAR MEETING
MINUTES
June 30, 2011

For information about this meeting, contact the Deferred Compensation Plan Office at (408) 975-1465 or email DeferredCompensation@sanjoseca.gov

Chair Robert Sapien called the Deferred Compensation Advisory Committee meeting to order at 9:06 a.m. on Thursday, June 30, 2011, City Hall, Wing 120.

Roll Call

Donna Busse	Management Employees' Representative (794-1020)
Julia Cooper	City Manager's Representative (535-7011)
Pascal Roubineau	Employee's Representative (277-2660)
Daniel Earl	Employees' Representative (277-8995)
Robert Sapien, Chair	Firefighter Representative (277-8810)
Peter Jensen	City Manager's Representative (975-7290)
Franco Vado	Police Representative (501-0960)

Also Present

Jeanne Groen	Human Resources, Benefits Manager
Kelly Wright	Human Resources, Deferred Compensation Staff
Shane Patrick Connolly	Councilmember Pete Constant's Office
Jonathan Slinger	Buck Consultants
Don Eibsen	Buck Consultants
Gary Bozin	ING
Tony Camp	ING
Julie Klassen	Great-West
Adora Gailo	Finance Department
Grace Martinez	Finance Department
Sylvia Claiborne	Finance Department

APPROVAL OF MINUTES

1. **M.S.C** (Daniel Earl/Donna Busse) to approve the minutes for the regular Deferred Compensation Advisory Committee Regular meeting on April 28, 2011.

ANNOUNCEMENTS

2. Resignation of Committee Chair and Firefighter Representative, Robert Sapien
Robert Sapien, Chair, announced his resignation as Committee Chair effective June 30, 2011.

NOTE: If you have any questions or concerns, please contact Kelly Wright at (408) 975-1434.



3. Recognition of Bruce DeMers' service to the Committee
Robert Sapien, Chair, recognized Bruce DeMers' for his service to the Deferred Compensation Advisory Committee.

DISCUSSION/ACTION ITEMS

4. Nominate and select Chair and, if necessary, Vice Chair, for the period June 30, 2011 through March 1, 2013

M.S.C (Pascal Roubineau/Julia Cooper) to select Peter Jensen as Chair.

5. Accept Report and Approve Deferred Compensation Plans Third Quarter Financials for FY 2010-11

Grace Martinez, Finance Department, provided the report.

M.S.C (Pascal Roubineau/Peter Jensen) to accept the report.

6. Discuss results of search by City's broker Marsh Risk & Insurance Services for City's Fiduciary Liability Insurance carrier; approve agreement renewal or approve the Secretary to renew agreement with Federal Insurance Company, a member of the Chubb Group, for the period July 1, 2011 to June 30, 2012; and provide other direction to staff
John Dam, Risk Manager for City of San José, provided the report.

M.S.C (Peter Jensen/Donna Busse) to direct the Secretary and/or Secretary's designee to renew the agreement with Federal Insurance Company, a member of the Chubb Group for the period July 1, 2011 to June 30, 2012.

7. Review and discuss ING's portfolio review for the quarter ending March 31, 2011
Tony Camp/Gary Bozin, ING, provided the report.
8. Review and discuss Stable Value Options, including education on the Stable Value Products, and provide direction to staff
Don Eibsen and Jonathan Slinger, Buck Consultants, provided education on the following:

- Stable value funds
- How Stable Value Assets are Typically Invested
- Crediting Rate
- The Difference Between Market and Book Values
- The Crediting Rate Formula
- Wrap Contracts
- Common Restrictions
- Vehicles
- Plan Sponsor Initiated Events
- Participant Initiated Events

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The recommendation was made not to change the stable value mandate at this time. Additionally, Buck Consultants recommends revisiting the stable value situation beginning in December 2011.

M.S.C. (Julia Cooper/Franco Vado) to direct staff to revisit the stable value situation periodically beginning in December 2011.

9. Review and discuss updated Roth 457 implementation timeline and provide direction to staff

Jeanne Groen, Benefits Manager, provided the report.

M.S.C (Peter Jensen/Julia Cooper) to accept the report and the revised Roth 457 implementation timeline.

10. Discuss potentially rescheduling December 22, 2011 Regular Meeting to December 15, 2011, and provide direction to staff

Jeanne Groen, Benefits Manager, provided the report.

M.S.C (Pascal Roubineau/Peter Jensen) to reschedule the Regular Committee meeting on Thursday, December 22, 2011 to Thursday, December 15, 2011, at 9:00 a.m.

INFORMATIONAL ITEMS

11. Staff report

Jeanne Groen, Benefits Manager, provided the following updates:

- Courtney Phommachack transitioned to a new assignment in the Police Department as a result of the reassignment/layoff process effective 6/27/11. The service that Courtney has provided to Deferred Compensation is appreciated.
- Debbi Bohnet-Nuttall transitioned to the Analyst position in Deferred Comp as a result of the reassignment/layoff process effective 6/27/11.
- Effective 6/24, the Senior Office Specialist position is vacant. Staff will be monitoring and evaluating the workload as a result of administrative efficiencies to determine the necessary staffing in the deferred compensation program.
- As a result of Robert Sapient's resignation, the San Jose Firefighters Association has nominated a representative.
- Linda Bjorke, attorney for the Committee, has separated from City Service as a result of the reassignment/layoff process.
- Staff will need confirmation regarding which Committee members will attend the NAGDCA Conference in Albuquerque, New Mexico, September 12 – 14, 2011.

12. Verbal update on the revised DCAC University education topics

Jeanne Groen, Benefits Manager, provided the update.

13. Verbal update on the Request for Proposal Process for Investment Manager and Recordkeeping Services

Jonathan Slinger, Buck Consultants, informed the Committee that the finalist interviews were completed on Tuesday, June 30, 2011. The evaluation committee will be meeting

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in mid-July to complete the evaluation of the finalists. Recommendation of a vendor will be presented at the August 25, 2011 Regular Committee meeting.

14. Verbal update on ING Service Provider—Gary Bozin, ING
Gary Bozin, ING, provided the update.
15. Review ING Service Logs and Loan Activity Reports for March 2011 and April 2011
Gary Bozin, ING, provided the reports.
16. Updates on April, 2011 and May, 2011 Fund Performance Summaries
Gary Bozin, ING, provided the summaries.
17. Report on Legislative, Market and Consultant Activity
Jonathan Slinger, Buck Consulting, provided the report.

NEXT MEETING

18. Next Regular Committee Meeting: Thursday, August 25, 2011, City Hall, W-120, at 9:00 a.m.

OPEN FORUM

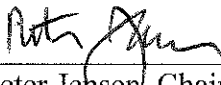
19. There was no public comment.

UNFORESEEABLE EMERGENCY WITHDRAWAL APPEALS

20. None.

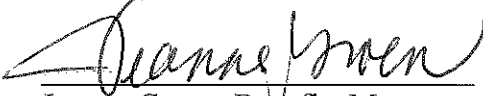
ADJOURNMENT

21. **M.S.C.** (Peter Jensen/Donna Busse) to adjourn at 11:05 a.m.



Peter Jensen, Chair
Deferred Compensation Advisory Committee

ATTEST:



Jeanne Groen, Benefits Manager
Committee Secretary's Designee

NOTE: M.S.C. MEANS MOTION SECONDED AND CARRIED, UNLESS OTHERWISE INDICATED, MOTION PASSED UNANIMOUSLY.

